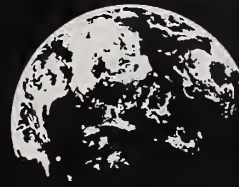


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Farm Broadcasters Letter



Letter No. 2343

December 22, 1987

1988 OUTLOOK FOR U.S. TRADE

The global trade in farm products is expanding and the U.S. share is rising, according to the U.S. Department of Agriculture. This is due to smaller supplies of world crops and increased consumption. The value of U.S. farm exports in fiscal 1988 will be about \$4 billion above 1987's \$28 billion. It will be a big year for bulk commodity sales. Wheat and flour volume will probably be up some 25 percent, coarse grains up around 10 percent, and cotton up 20 percent. Exports of high-value farm products are likely to get a further boost in fiscal 1988. High value products are big ticket items that don't weigh much and are more expensive per pound, such as beef and vegetables. These items made up nearly half of export sales value in 1987.

1987/88 YIELDS UP FOR MOST CROPS

U.S. yields are up for most crops in 1987/88. However, crop output will slip further from 1986/87's reduced total because acreage for conserving uses is the second highest ever, according to the U.S. Department of Agriculture. The 1987/88 feed grain supply totaled 370 million 400 thousand metric tons, 2.4 percent less than the record set the year before. Corn production and acreage are down. The wheat crop is slightly larger because greater yields offset acreage reduction. The domestic use and exports of wheat will be higher. Despite fewer acres planted to soybeans, 1987/88 production climbed because of better yields.

SALES TO USSR

On December 17, private exporters reported to the U.S. Department of Agriculture sales of 550,000 metric tons of hard red winter wheat for delivery to the USSR during the 1987/88 marketing year. Sales of wheat and corn to the USSR for delivery during the fifth year of the agreement total 5,477,000 tons, of which wheat is 3,878,600 tons and corn is 1,598,400 tons. In addition, sales of soybeans total 800,000 tons, and soybean meal, 1,302,500 tons.

1988 CASH FARM INCOME OUTLOOK

The cash farm income in 1988 is expected to be between \$50 and \$55 billion, down slightly from the 1987 record of \$57 billion, according to the U.S. Department of Agriculture. The farmers' debt burdens are lower, and their asset values are stabilizing. Crop receipts will be up, with prices higher, and livestock receipts down, with lower prices. Cash expenses will increase moderately. Government support payments will total less than in 1987.

1988 IMPORT FORECAST UNCHANGED	The forecast for U.S. agricultural imports for fiscal 1988 remains unchanged at \$20 billion, 500 million, according to the U.S. Department of Agriculture. The agricultural trade surplus is now estimated at \$11 billion 500 million, up \$1 billion from the December 1 estimate.
U.S. EXPORT FORECAST: \$32 BILLION	U.S. agricultural exports in fiscal 1988 are now forecast by the U.S. Department of Agriculture at \$32 billion, and 141 million tons. That's up \$1 billion and 4 million tons from the Dec. 1 estimate. The revised estimate represents a 15 percent rise in value and a 9 percent increase in volume from fiscal 1987.
1988 FOOD PRICES OUTLOOK	The retail prices for food will climb more slowly in 1988 - between 2 to 4 percent, according to the U.S. Department of Agriculture. The reason is lower meat and poultry prices. Although the farm value of consumers' food purchases will be lower than in 1987, marketing costs will climb at about the same rate as general inflation.
RED MEAT & POULTRY TO INCREASE FOR 1988	Total supplies of red meat and poultry products will increase considerably in 1988 despite 4 to 5 percent less beef, according to the U.S. Department of Agriculture. Livestock and poultry prices will be held down by large supplies, and production costs will be higher. Pork production may be up 9 percent, broilers up 5, and turkeys up 6 percent. The output of eggs will be about the same as in 1987. Milk production will rise, probably to a new record; cow numbers will be down but production per cow continues to increase.
1988 OUTLOOK FOR COTTON, TOBACCO AND SUGAR	According to the U.S. Department of Agriculture, the early season outlook for U.S. <u>cotton</u> in 1988/89 points to disappearance and production about in balance, and ending stocks near the desired 4 million bales. <u>Tobacco</u> production will rise in 1988 from the relatively low totals of 1986 and 1987. With smaller carryin stocks, tobacco supplies are down. Domestic cigarette consumption is falling, but exports are expanding. World <u>sugar</u> consumption is exceeding production, stocks are expected to fall and prices are moving up. Total U.S. sugar output will be the largest ever.
CATFISH PROCESSING UP 21%	Farm-raised catfish processed during November totaled 20 million 700 thousand pounds, according to the U.S. Department of Agriculture. The average price paid to growers was 62 cents per pound, 1 cent above the same month last year. Net pounds of processed fish sold during November totaled 11 million 300 thousand pounds, up 27 percent from the comparable month in 1986.
U.S. FULL OF NUTS	There's a large harvest of nuts in the U.S., according to the U.S. Department of Agriculture. Record large crops of almonds and walnuts were harvest in California this fall, and the Oregon and Washington filbert crop is the second largest on record. The result is a bargain in nuts for the consumer.

COLD STORAGE
HIGHLIGHTS

The levels of frozen stocks in refrigerated warehouses were greater on November 30 than last year for frozen eggs, turkeys, chickens, pork, fruits, juice concentrates, vegetables, beef and potatoes, according to the U.S. Department of Agriculture. Some stocks in coolers were also above those of the previous year. These included fresh vegetables, shell eggs, fresh fruits, and dried and evaporated fruits.

FINAL ON
DAIRY TERMINATION
PROGRAM

Dairy cattle slaughtered in federally-inspected plants under the Dairy Termination Program from April 1986 through October 1987 total an estimated 1,224,600 head. Dairy cattle reported for export under the program for the same period total an estimated 65,860 head. The purchases of meat by the Commodity Credit Corporation, which were in addition to normal purchases, totaled nearly 454 million pounds through December 1987. This is the final report of cattle disposition under the Dairy Termination Program.

WHO'S ON
THE FARM?

An estimated 5,226,000 persons lived on farms in rural areas of the United States in 1986, according to the U.S. Department of Agriculture. That's about 1 out of every 46 persons. Said another way, 2.2 percent of the Nation's population lived on a farm.

FROM OUR RADIO
SERVICE

AGRICULTURE USA #1595...(Weekly 13½ min documentary) On this edition of AGRICULTURE USA, Brenda Curtis talks to Secretary of Agriculture Richard Lyng about the recent turnaround in the farm economy.

AGRITAPE/FARM PROGRAM REPORT #1583...(Weekly reel of news features) USDA news highlights; China market; Risk management for government; High value products and Cautious optimism.

CONSUMER TIME #1075...(Weekly reel of 2½-3 min features) Those powdered eggs; Eating better; The French market; New friendships; 1988 boom or bust?

USDA RADIO NEWS SERVICE... Dial the National News Line 202-488-8358 or 8359. All material changed at 5 p.m. ET each working day.

TELEVISION SERVICE programs, A BETTER WAY, DOWN TO EARTH, AGRICULTURAL UPDATE and SATELLITE NEWS are available on satellite Westar IV, audio 6.2 or 6.8 as follows:

Thursdays....AG UPDATE/SATELLITE NEWS, 7:30-7:45 p.m. ET.....Transponder 12D

Saturdays....A BETTER WAY, 10:00-10:30 a.m. ET.....Transponder 9X

ORIGINAL DOWN TO EARTH, 10:30-11:00 a.m. ET....Transponder 9X

UPLINK SATELLITE NEWS/AG UPDATE, 11:00-11:15 a.m. ET.....Transponder 9X

Mondays.....A BETTER WAY, 8:00-8:30 a.m. ET.....Transponder 12D

REPEAT DOWN TO EARTH, 8:30-9:00 a.m. ET....Transponder 12D

UPLINK SATELLITE NEWS/AG UPDATE, 9:00-9:15 a.m. ET.....Transponder 12D

A BETTER WAY is also available on The Learning Channel SATCOM 3R, Transponder 2, Audio 6.8 each Friday 11:00 a.m. ET.

OFF MIKE

Kathleen Lonergan is leaving the Agriculture Farm Radio Net headquartered in Little Rock, Arkansas to become associate farm director at KMA, Shenandoah, IA., starting January 11. Stewart Doan at the network is looking for a new associate farm director. If you're interested, contact Stewart at 501-661-7612. Or send your resume and sample tape to him at the network, PO Box 4189, Little Rock, AR 72214 ... Last day at the Kentucky Agri-Net for Krit Stubblefield was Dec. 23. He left to take the job of executive assistant in charge of radio and television public relations for the Kentucky Department of Agriculture. Alan Alridge takes his place at the network ... Nice Christmas card from Garth Clark. He's working part-time at Maryland Public Television, following the cancellation of "Farm Day." As might be expected, Garth says he wouldn't turn down the opportunity to work full-time. His address, if you want to contact him, is 8891 Willow Wood Way, Jessup, MD 20794 ... Tony Purcell is no longer at Mid America Ag Net, Wichita.

Farm Broadcasters Letter
Radio and Television, Rm. 410A
Office of Information, OGPA
U.S. Department of Agriculture
Washington, D.C. 20250-1300

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KS. He left to become the executive secretary for the Kansas Sheriff's Association. Mike Dain replaces Tony at the network ... In case you're making up your schedule calendar earlier, here's a run down for NAFB meeting in 1988: Western Region will meet April 16-18 in Reno, NV. (NAMA meets there April 18-20.); Southcentral Region meets April 29-30, May 1 in McAllen, TX (although there's the possibility the meeting will be a week later); Northeast Region meets May 13-15 in Lima, OH; Southeast Region meets June 3-5 in Orlando, FL; Northcentral Region meets June 23-25 in at Lake Okojobi, IA; and the national NAFB meeting will be November 13-16 in Kansas City ... A final note: We won't be putting out a newsletter next week, the week between holidays. I'll be in Oregon with spouse Marilyn and inspecting our new home in Salem. She's in residence there, and I will be the first part of April. We (Marilyn and I) decided we wanted to watch our grandkids grow up, so I'll be retiring at the end of March.


JAMES L. JOHNSON, Chief, Radio and Television Division